

# AHCCCS fact sheet: Arizona Long Term Care System (ALTCS)

Since the beginning of AHCCCS in October 1982, the federal government expected the program to cover long term care services once the acute (medical) care services were in place. Additionally, there was pressure from the counties, which were facing budget hardships operating their own long term care systems; by nursing homes, which complained about inadequate reimbursement and variations in coverage from county to county; and by advocates who complained that consumers were not receiving needed care.

The Arizona Long Term Care System began in December 1988 for the developmentally disabled and in January 1989 for the elderly and physically disabled.

## WHO QUALIFIES

An applicant must be in need of ongoing services at the level provided in a nursing facility (what's known as being at risk of institutionalization); must be a citizen or a qualified immigrant; and must have an income at or below \$1,737 a month.\* Individuals with incomes in excess of this amount may be eligible if they obtain an income-only trust.

The program also includes individuals who are 65 years of age or older, blind or disabled, or have a developmental disability. A person's resources must be at or below \$2,000.\*\*

## ELIGIBILITY

Eligibility for ALTCS is determined by AHCCCS. A person who is determined financially eligible must also undergo a Pre-Admission Screening (PAS) to determine medical needs and the ability to function in daily life. The individual must be determined to need the level of care provided in a nursing facility or an intermediate care facility for the mentally retarded, although actual placement decisions will be made after the person is eligible and can result in care other than in a nursing facility.

The applicant must provide proof of income, other insurance, a Social Security Number, verification of resources, documents showing any transfer of assets, and either citizenship or immigration documents if the person was not born in the United States.

## ENROLLMENT AND DEMOGRAPHICS

Current enrollment is 40,509, or 3.8 percent of the total AHCCCS population (currently more than 1 million). Enrollment grew steadily through 2004 for a growth rate of 5 percent. Growth for SFY 2006 is expected to be 5.9 percent for the elderly and physically disabled, and 8.3 percent for the developmentally disabled.\*\*\*

Demographically, the elderly and physically disabled are predominantly female (65.6 percent), but the developmentally disabled have higher male numbers (59.3 percent). Overall, the ALTCS group is predominantly White. Most recipients are above age 65 and live in Maricopa and Pima counties.\*\*\*\*

## BACKGROUND

Under Medicaid, medically necessary nursing facility services are mandatory. Although there are some optional noninstitutional services such as personal care, hospice and private duty nursing, optional long term care services are primarily institution-based. States must acquire a federal waiver to provide home and community-based services to Medicaid beneficiaries. Arizona received federal approval in 1988 to begin a managed care long term care program, built on the successful managed care model for acute (medical) care services.

\*Income levels are adjusted every year.

\*\*If an individual has a spouse residing in the community, the spouse can retain one-half of the couple's resources up to \$95,100.

\*\*\* 59.5 percent of ALTCS members are elderly and physically disabled, and 40.5 percent have a developmental disability.

\*\*\*\* Only 28.8 percent of the elderly and physically disabled category are under age 65. 27.7 percent are ages 65 through 79, and 43.6 percent are over age 80. The developmentally disabled have younger numbers, with 13.7 percent 5 years or younger; 23.3 percent between ages 6 and 12; 20.6 percent between ages 13 and 21; and 40.8 percent between ages 22 and 64. Only 1.5 percent are age 65 or older.



AHCCCS

## BUDGET

For elderly and physically disabled:

|                     | SFY 2004 actual | SFY 2005 projected | SFY 2006 requested |
|---------------------|-----------------|--------------------|--------------------|
| <b>Federal</b>      | \$ 558,973,400  | \$ 607,769,400     | \$ 686,113,800     |
| <b>State/County</b> | \$ 234,510,500  | \$ 285,337,100     | \$ 332,471,000     |
| <b>Total</b>        | \$ 793,483,900  | \$ 893,106,500     | \$ 1,018,584,800   |

For developmentally disabled:

|                | SFY 2004 actual | SFY 2005 projected | SFY 2006 requested |
|----------------|-----------------|--------------------|--------------------|
| <b>Federal</b> | \$ 374,579,700  | \$ 393,721,300     | \$ 427,531,100     |
| <b>State</b>   | \$ 158,493,200  | \$ 190,370,100     | \$ 209,647,800     |
| <b>Total</b>   | \$ 533,072,900  | \$ 584,091,400     | \$ 637,178,900     |

### EXPENDITURES BY CLAIM FORM TYPE 10/1/02-9/30/03

For elderly and physically disabled:

|                              |                       |             |
|------------------------------|-----------------------|-------------|
| Professional services        | \$ 203,595,156        | 34.1%       |
| Pharmacy                     | \$ 51,932,473         | 8.7%        |
| Dental services              | \$ 456,528            | 0.1%        |
| Inpatient services           | \$ 48,848,973         | 8.2%        |
| Outpatient hospital services | \$ 20,661,173         | 3.5%        |
| Long term care services      | \$ 271,748,323        | 45.5%       |
| <b>Total:</b>                | <b>\$ 597,242,626</b> | <b>100%</b> |

### EXPENDITURES BY CLAIM FORM TYPE 10/1/02-9/30/03

For developmentally disabled:

|                              |                       |             |
|------------------------------|-----------------------|-------------|
| Professional services        | \$ 349,099,657        | 88.6%       |
| Pharmacy                     | \$ 17,652,719         | 4.5%        |
| Dental services              | \$ 1,614,502          | 0.4%        |
| Inpatient services           | \$ 12,687,367         | 3.2%        |
| Outpatient hospital services | \$ 4,762,413          | 1.2%        |
| Long term care services      | \$ 8,135,662          | 2.1%        |
| <b>Total:</b>                | <b>\$ 393,952,320</b> | <b>100%</b> |

In addition, expenditures for the ventilator dependent totaled \$25,209,350.

## VALUE OF SERVING POPULATION

Serving this population helps families with special-need children and elderly individuals with spouses who need long term care services. They are able to maintain a better financial stability and it lessens their inability to pay for basic needs. Serving this group also helps avoid uncompensated care in emergency rooms and in-patient hospitals, increases dollars going to Arizona's health care economy, and supports schools financially so they can fulfill their federal mandate to provide disabled children with special-education and related services.



AHCCCS